



White Paper

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This Whitepaper is being provided by Reit BZ Limited for informational purposes only and is not a binding legal agreement. The purchase and supply of REIT BZ shall be governed by terms and conditions, which is a separate document that will be provided to purchasers who qualify to participate in the token generation event. This Whitepaper may be amended from time to time. To avoid any doubts, REIT BZ is solely a corporate denomination and does not represent an instrument equivalent to a "Real Estate Investment Trust", as defined in applicable US regulation.



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ABSTRACT

HIGHLIGHTS OF THE OFFERING

- ▶ The security token aims to provide each Purchaser with the opportunity to indirectly invest in Brazilian real estate distressed assets;
- ▶ The first project leveraged on blockchain technology backed by a profitable and well-capitalized investment bank, with the expertise/strength of BTG Pactual, Enforce and their positive track record;



- ▶ Transparent investment decisions and full disclosure of financial records;
- ▶ Compliant KYC/AML purchase of Tokens;
- ▶ Tokenholders will potentially benefit from periodic airdrop payments - in the form of Ether ("ETH") or a USD-pegged stable coin ("Stable Coin") - based on the performance of a portfolio of urban real estate properties under distressed situation ("Target Assets").

1. DISCLAIMERS

1.1 The Security Token Offering

This Security Token Offering ("STO") aims at raising funds to "tokenize" a diversified portfolio of real estate assets located in Brazil under distressed financial conditions.

The STO aims to tap into both the global base of liquidity allocated to Initial Coin Offerings ("ICO") as well as regular investors in financial and capital markets. This STO intends to be fully compliant with any and all KYC/AML and tax obligations and securities regulations. Trading of the Tokens (as defined below) in the secondary market is expected to take place in the near future.

For prospective purchasers, the STO (i) brings a unique opportunity to access, through a low-cost/tax-efficient structure, the Brazilian distressed real estate market, (one of the fastest-growing markets of Latin America), (ii) relies on the expertise, proven track record and credibility of the Banco BTG Pactual and Enforce teams and (iii) is conducted through a simple, direct and innovative way using a blockchain-based technology asset known as "REIT BZ" (the "Token").

1.2 Eligibility

Reit BZ Limited ("Issuer") is an exempt foundation company incorporated under the Cayman Islands' Foundation Companies Law, 2017, subject to the provisions and obligations related to Anti-Money Laundering ("AML") and Know Your Customer ("KYC") procedures of the Cayman Islands, namely the Proceeds of Crime Law (Revised) and the Anti-Money Laundering Regulations (Revised). This STO is intended for international purchasers based worldwide, excluding persons with residence/nationality from Brazil and the United States of America, as well as any other country where the purchase of cryptocurrencies is legally forbidden, such as, but not limited to, China, Algeria, Bolivia, Ecuador, Morocco and Pakistan, in addition to persons located in any of the jurisdictions blacklisted by the Organization for Economic Co-operation and Development and the United Nations.

1.3 Legal disclosures

This Whitepaper provides information in connection to an opportunity for the acquisition of a security token that will grant purchasers economic exposure to Brazilian urban real estate properties under distressed situations (Target Assets) by means of periodic profit distributions. The Tokens will not (i) provide legal ownership over the Issuer's shares or the Target Assets; (ii) represent debt owed by the issuer to the Tokenholders; nor (iii) provide voting/governance/typical shareholding rights related to the Issuer.

This Whitepaper does not constitute a prospectus, an offering memorandum and/or other offering document relating to the Issuer and has not been reviewed or approved by any financial regulator or securities commission in any jurisdiction. Investing in Tokens involves several risks. There can be no assurance that Tokenholders will be able to receive a payback of their capital or any positive returns on their purchase of tokens. Prior to investing in Tokens, prospective purchasers should carefully consider the section "Risk Factors" of this Whitepaper, which despite not providing an exhaustive list or explanation of all the risks purchasers may face when investing in Tokens, shall be used as guidance. Prospective purchasers should consider carefully whether a purchase of Tokens is suitable for them considering the information herein and their personal legal and financial circumstances. Unless otherwise indicated or the context otherwise requires, all references in this Whitepaper to "Issuer", "we", "our", "ours", "us" or similar terms refer to the Issuer.

1.4 Forward-looking statements

This Whitepaper may contain estimates and forward-looking statements which are mainly based on the current expectations and estimates of future events and trends that affect or may affect the business, financial condition, results of operations, cash flows, liquidity, prospects and the envisaged valuation of the Tokens. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and are made in light of the current available information. Forward-looking statements speak only as of the date they were made, and we do not undertake the obligation to update publicly or to revise any forward-looking statements after we distribute this document because of new information, future events or other factors. Considering the risks and uncertainties described above, the forward-looking events and circumstances discussed in this document might not occur and future results may be materially different from those expressed in or suggested by these forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual events or results, performance or achievements to differ materially from the estimates or the results implied or expressed in such forward-looking statements. These factors include, amongst others:

- A** - changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which the Issuer conducts its businesses and operations;
- B** - the risk that the Issuer may be unable to execute or implement its respective business strategy and future plans;
- C** - changes in interest rates and exchange rates of fiat currencies and cryptocurrencies;
- D** - changes in the anticipated growth strategies and expected internal growth of the Issuer;
- E** - changes in the availability and salaries of employees who are required by the Issuer to operate their respective businesses and operations;

- F** - changes in competitive conditions under which the Issuer operates, and the ability of the Issuer to compete under such conditions;
- G** - changes in the future capital needs of the Issuer and the availability of financing and capital to fund such needs;
- H** - war or acts of international or domestic terrorism;
- I** - occurrences of catastrophic events, natural disasters and acts of God that affect the businesses and/or operations of the Issuer; and
- J** - other factors beyond the control of the Issuer.

The Issuer disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

1.5 Accuracy of information, no consent of parties referenced in Whitepaper

This Whitepaper includes technical, market and industry information and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market and academic research, publicly available information and industry publications. Such surveys, reports, studies, market research, publicly available information and publications generally state that the information that they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

Save for the Issuer and its respective directors, executive officers and employees, no person has provided his or her consent to the inclusion of his or her name and/or other information attributed or perceived to be attributed to such person in connection therewith in the Whitepaper and no representation, warranty or undertaking is or purported to be provided as to the accuracy or completeness of such information by such person, and such persons shall not be obliged to provide any updates on said information.

The Issuer has not conducted any independent review of the information extracted from third-party sources, verified the accuracy or completeness of such information or ascertained the underlying assumptions relied upon therein. Consequently, the Issuer makes no representation or warranty as to the accuracy or completeness of such information and shall not be obliged to provide any updates on said information.

Except as otherwise mentioned below, all the data and information from the charts were provided by the BTG Pactual Research team.

1.6 Terms used

To facilitate a better understanding of the Tokens being offered for purchase by the Issuer, and the businesses and operations of the Issuer, certain technical terms and abbreviations, as well as, in certain instances, their descriptions, have been used in the Whitepaper. These descriptions and assigned meanings should not be treated as being definitive of their meanings and may not correspond to standard industry meanings or usage. Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

1.7 No further information or update

No person has been or is authorized to give any information or representation not contained in the Whitepaper in connection with the Issuer and its business and operations or the Tokens and, if given, such information or representation must not be relied upon as having been authorized by or on behalf of the Issuer. The continuing sale of Tokens shall not, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change, or development reasonably likely to involve a material change in the affairs, conditions and prospects of Issuer or in any statement of fact or information contained in the Whitepaper since the date hereof.

Statements made in the Whitepaper are based on the law and practice in the Cayman Islands current at the date it was issued. Those statements are therefore subject to change should that law or practice change. Under no circumstance does the delivery of the Whitepaper or the sale of Tokens imply or represent that the affairs of the Issuer have not changed since the date of the Whitepaper.

1.8 Know Your Customer and Anti-Money Laundering policies

Any applicants to the STO, either in a primary issuance or in the secondary market, will be subject to all applicable KYC/AML policies that may be in place at the time of the purchase, being subject to periodic assessment and routines in this regard. Failure to comply with the KYC/AML procedures and routines applicable to the purchase of Tokens shall prevent the purchase of the Tokens or the imposition of sanctions on purchasers, including the freeze of funds, mandatory cancellation or redemption of Tokens through our smart contract or any other measure that the Issuer may deem appropriate to meet the applicable regulatory requirements.

2. THE BRAZILIAN REAL ESTATE MARKET

2.1. Introduction

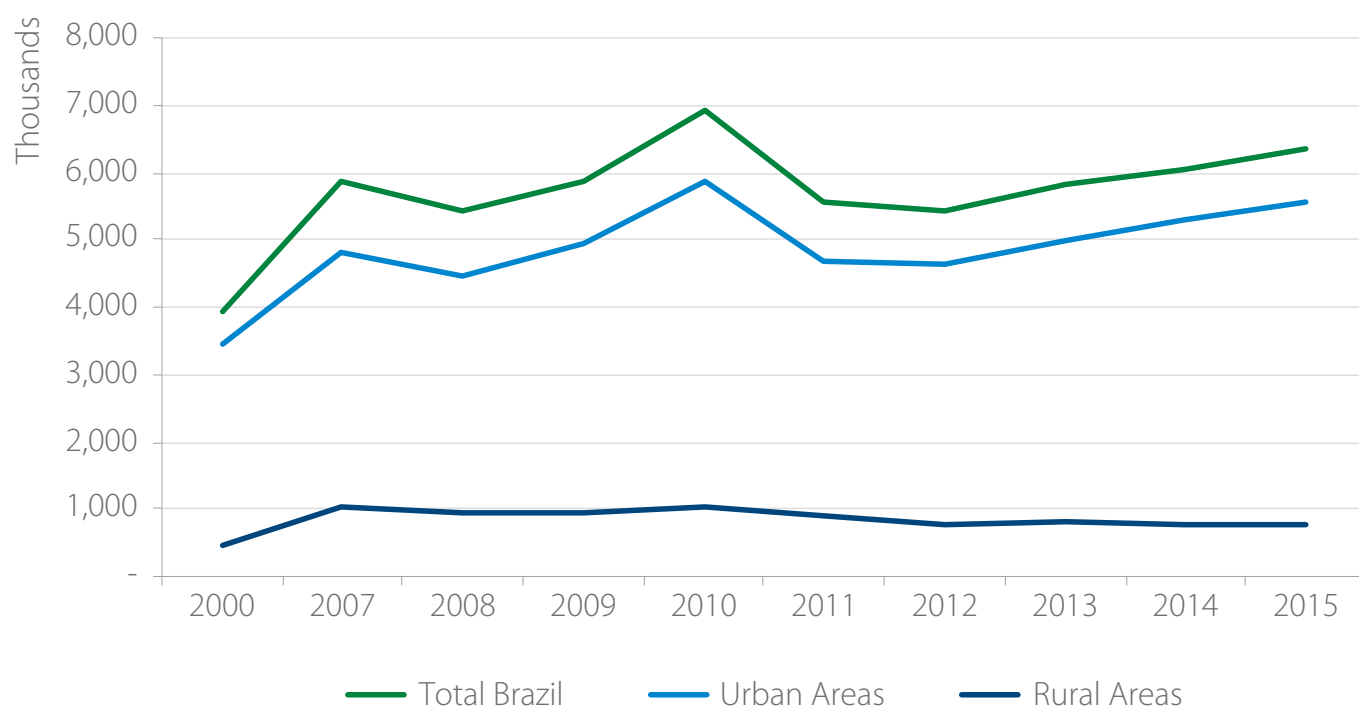
The urbanization process that began in Brazil in the 1950s significantly changed land use in the country, as a large part of the population moved to urban areas. According to the Brazilian Institute of Geography and Statistics ("IBGE"), in 1950, 36% of Brazilians lived in urban areas. By 2010, this number had grown to 84.36%. Further statistical information indicates that this percentage continues to increase.

Growing urbanization, caused by intense rural exodus and migration towards cities, combined with a lack of investments in urban development, created a severe housing shortage in Brazil. The most recent study on this matter reveals that, in 2015, the housing shortage is over 6,300,000

homes, which represents 9.3% of all private residences.

Brazil is divided into five geographic regions: south, southeast, mid-west, north and northeast. There are significant differences between these regions including population, area and density, economic activity and development, per capita income; and housing deficit. According to IBGE, the southeast, home to the cities of São Paulo and Rio de Janeiro, contains 42% of Brazil's population and 55% of Brazil's GDP. This region represents the bulk of Brazil's housing shortage, with 1.300,000 million homes in São Paulo and a deficit of 500,000 in Rio de Janeiro. This housing shortage will be the focus of this Whitepaper.

Chart 1: Populational housing distribution - Brazil



2.2. Current Economic Environment

Since the Great Recession, developed markets have recovered and the US economy has begun growing at a substantial pace. In spite of this recovery, emerging markets continue to be plagued with risk aversion. This behavior impairs growth rates and reduces trade volume, thus provoking capital outflow from less developed nations.

As a result, the Brazilian economy has suffered, especially because of internal economic and political issues. In addition, the political turmoil and unsustainable fiscal situation weakened market expectations, resulting in peak inflation (as per the IPCA¹ index), unemployment and high interest rates. GDP² plummeted over these years, as depicted in Chart 3:

Chart 2: Major Economy Index Variations (GDP/Selic/IPCA)

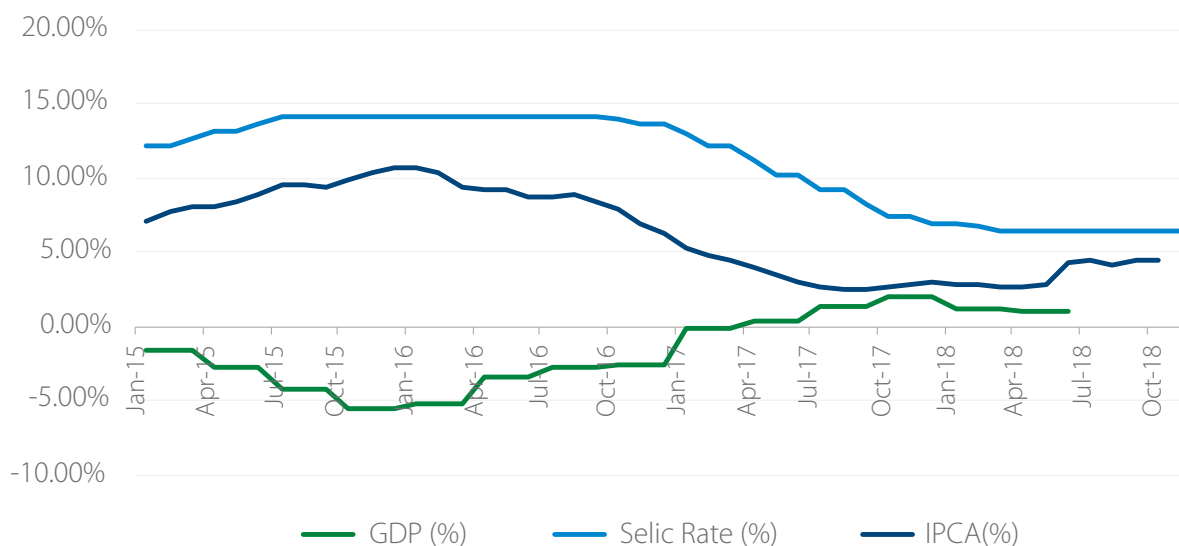
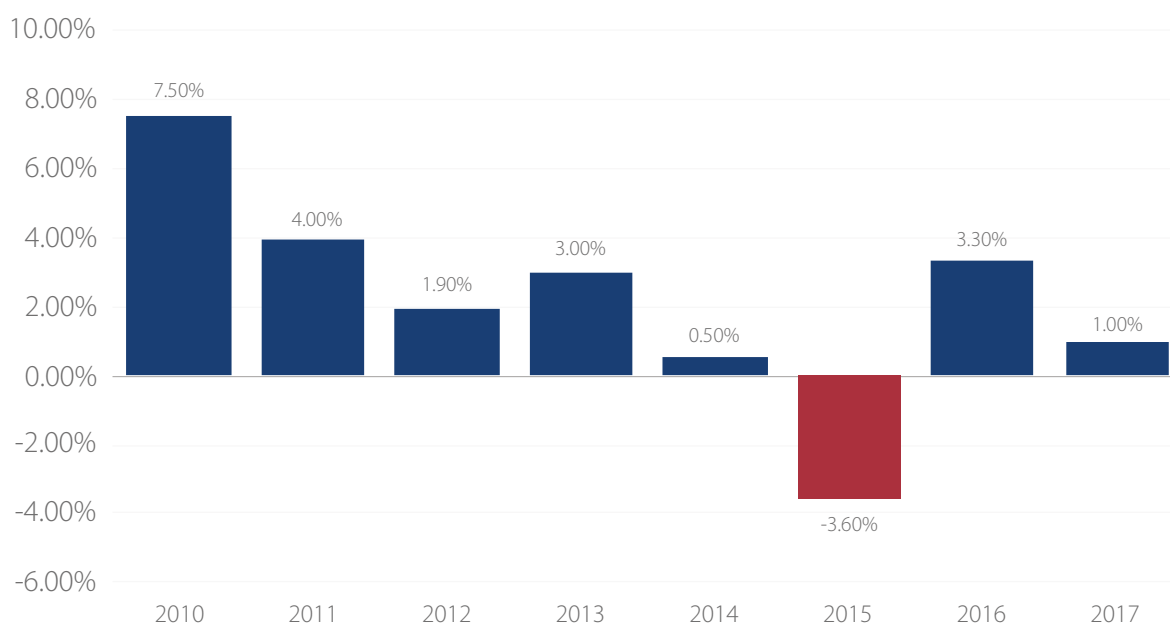


Chart 3: GDP year-on-year % change



¹ National Wide Consumer Price Index.

² Gross Domestic Product.

By October 2016, the crisis worsened with the impeachment of President Dilma Rousseff and turmoil in Brazilian markets continued. Consequently, a new government was formed, mainly of liberals and reformists, to finish the presidential mandate until the 2018 elections.

From 2016 to 2018, important economic measures were enacted, such as a labor reform and a constitutional public expenditure cap, among others. The financial markets reacted well. According to the Central Bank of Brazil, there will be an increase in GDP growth in the near term as a result of the significant structural changes made to the Brazilian economy in recent years, including (i) a reduction in risk premiums, (ii) meeting the inflation target for the eighth consecutive year, (iii) macroeconomic stability and (iv) institutional advances.

As can be seen in Chart 2, these advances have allowed the monetary authority of Brazil to deliver a fast-paced reduction of the SELIC rate³, thereby reducing the IPCA and prompting a rise in GDP and providing a positive outlook for solid recovery.

On October 28, 2018, Brazilians went to the polls and confirmed their aversion in relation to a left/populist government. Jair Bolsonaro, an experienced congressman with a team committed to liberal economic ideas and to a reformist agenda, was elected and sworn in. Mr Bolsonaro's liberal economic ideas are supported by its current Minister of Economy, Mr. Paulo Guedes.

From a macroeconomic and political perspective, our belief is that the foundations have been laid for a solid economic recovery in Brazil and the specific recovery in the real estate sector is already underway.

2.3. Recovery Outlook

Following the positive developments, as outlined above, the real estate market in Brazil has shown signs of recovery during the first half of 2018. According to information from the Union of Companies engaged in the Purchase, Sale and Lease of Real Estate Properties ("Secovi"), approximately 12,000 residences were sold in the city of São Paulo during this period. This number represents an increase in sales of 52.0% as against the first half of 2017 and is the best period for property sales since the country's economic crisis began in 2013. During this period, new home sales were close to

the levels registered in 2011 and 2012, in which 11,700 and 12,000 residential units were sold, respectively.

In addition to the above, data from the Brazilian Company of Property Studies ("Embraesp") shows that during the first half of 2018 approximately 8,000 residential units were constructed in São Paulo city, corresponding to a 4% gain compared to the first half of 2017. As evidenced below, sales rates are recovering from record low levels.



³ Overnight banking rate of Brazil.

Chart 4: Avg VSO of homebuilders

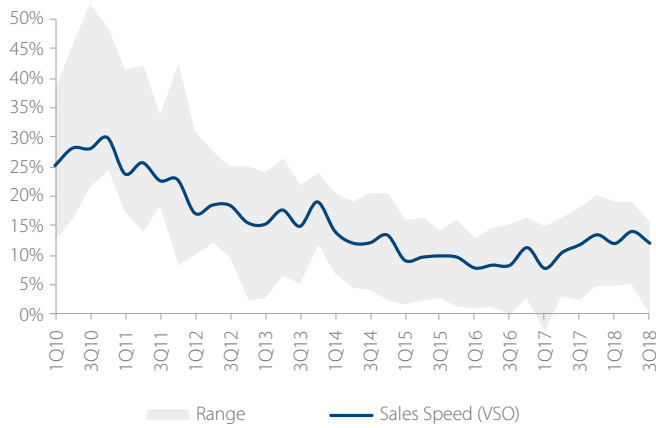
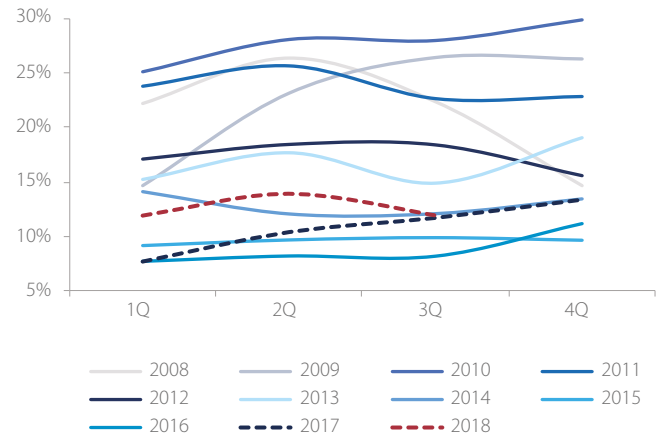


Chart 5: Sales/ LTM launches - Lopes and Brazil Brokers



Lopes and Brazil Brokers are publicly-listed Brazilian companies engaged in the real estate sector

Together with new sales, inventory levels of new property units are also normalizing in the main regions. The number of new homes is now stabilizing as against demand for housing, with the main markets of São Paulo and Rio de Janeiro already showing improvement. In São Paulo, until July-August 2018, inventory levels fell consistently, while in Rio de

Janeiro they also decreased from all-time highs (Chart 6/7). Analyzing the current real estate market trend, it is expected that inventories will continue decreasing and the number of foreclosures will fall even further. For this reason, our belief is that the worst is already behind us.

Chart 6: Housing inventories in São Paulo

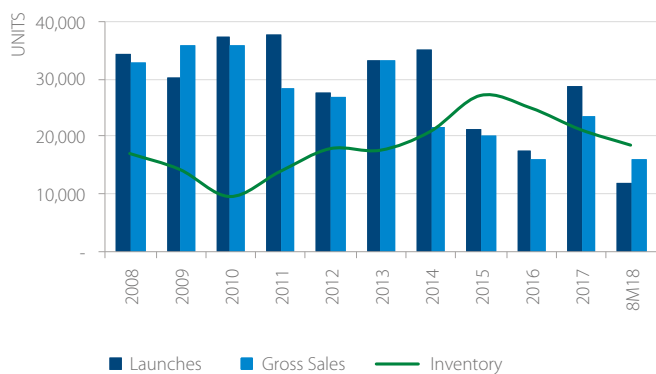
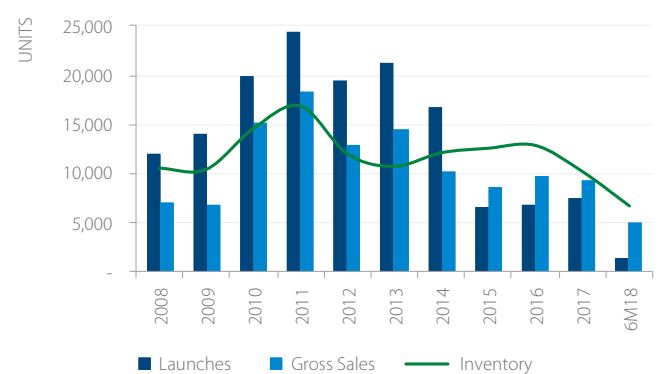


Chart 7: Housing inventories in Rio de Janeiro

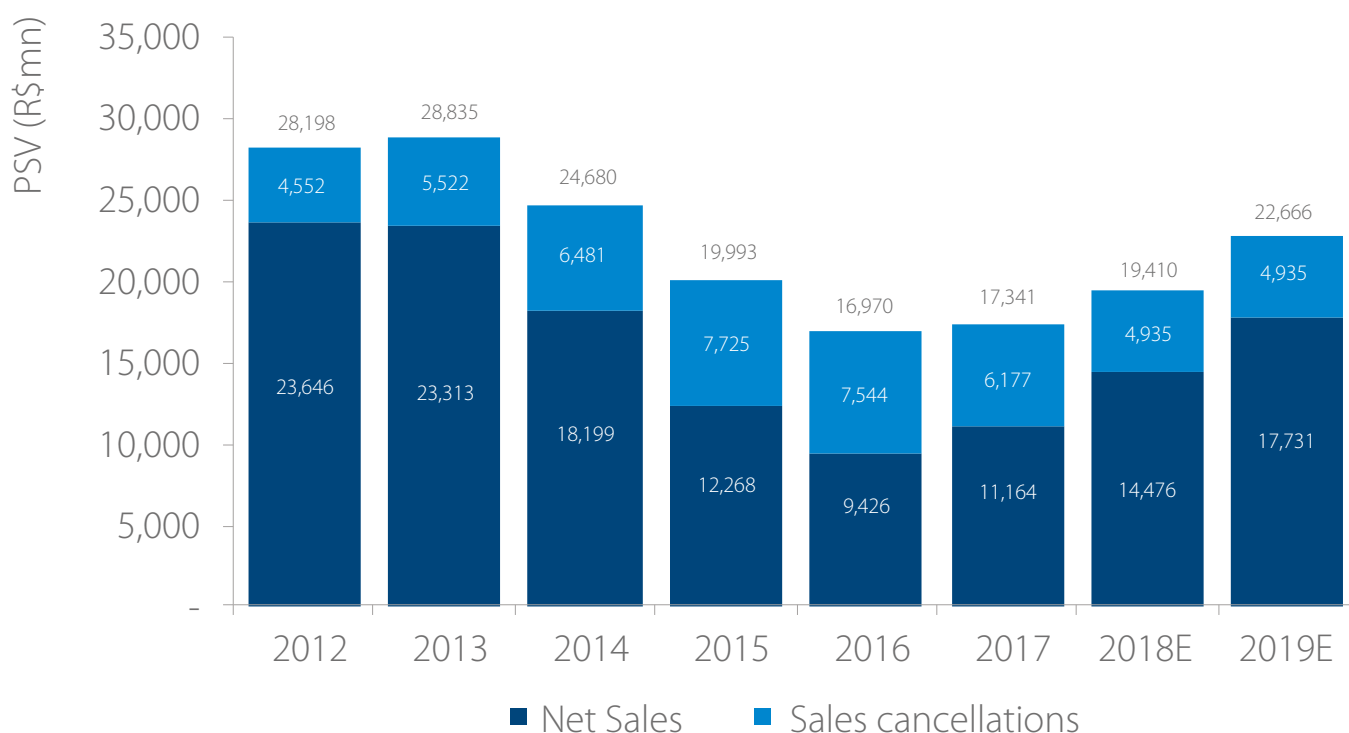


A recurring problem for the residential market were the foreclosures. The over-launching period of 2010-14 created excess supply that was not completely absorbed by the market, as poor sales underwriting had to be cancelled. Hit with the ensuing recession, this led to a sharp increase in foreclosures.

However, on December, 2018, a new law⁴ to protect homebuilders from foreclosures was approved. In the past, homebuyers could cancel a home

purchase without suffering any relevant penalty. Following the law, homebuilders are allowed to retain 25-50% of all down-payments collected from their sales where the purchase is foreclosed by homebuyers. Now that homebuilders have more guarantees that they will no longer suffer big losses where foreclosures occur, we are of the view that this will create an improved business environment for this sector and we expect a recovery to take in construction and home sales.

Chart 8: Brazilian homebuilders - aggregate gross sales breakdown (R\$m)



More importantly, credit conditions have also improved for homebuyers. After some years of redemptions in savings accounts (which is the main source of funding for the sector – the Brazilian System of Savings and Loans, “SBPE”), there was a clear recovery of funding in 2018, as shown below. With more funding available,

banks are now becoming less restrictive (cutting mortgage rates, offering higher loan-to-value ratios, credit score sweeteners, among others). Banks are signaling that we should expect a further reduction in mortgage rates, so long as the current macroeconomic conditions remain positive and savings accounts keep posting net inflows.

⁴ Law No. 13,786.

Chart 9: Origination of new mortgage loans
(in R\$bn)

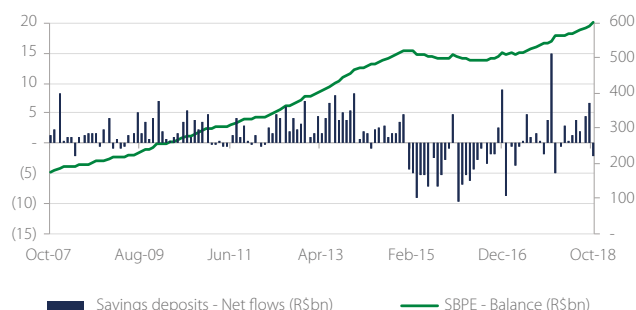
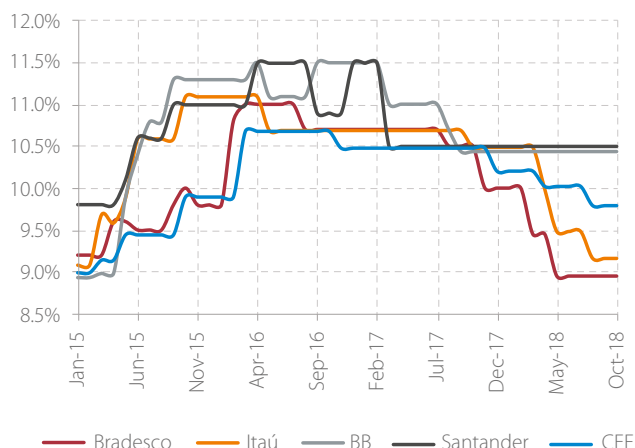


Chart 10: Interest rates on new mortgage
loans charged by local banks



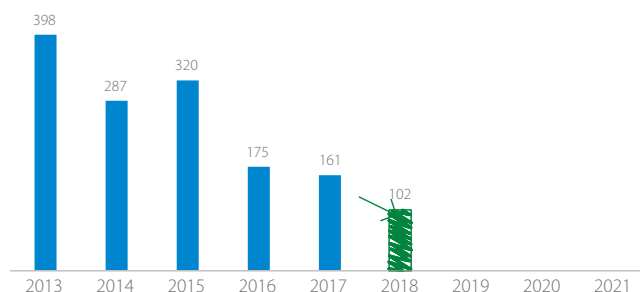
Corporate real estate also suffered greatly during the last recession, but it has now recently began to improve, particularly in São Paulo (where vacancy rates are declining and rental prices are starting to rise).

The forecast for the corporate market in the city of São Paulo shows a decrease in vacancy and recovery of rental prices. The improvement in the macroeconomic situation shows that the pace of

absorption of the corporate real estate constructed in recent years remains strong and promising. Specialists project the unemployment rate will keep falling in the next periods. This indicator is directly related to the level of occupancy and expansion of offices in the city.

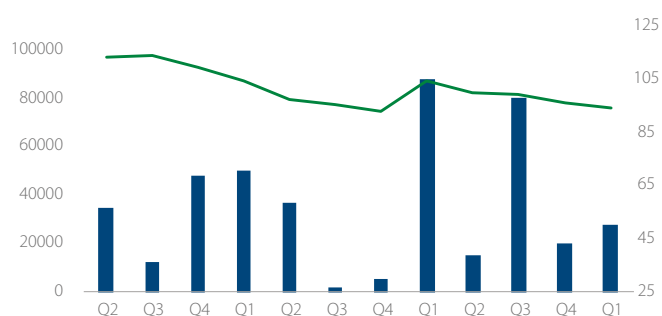
In this sense, it is worth noting that 2017 marked the beginning of an expected recovery of the economy and real estate market. After years of strong supply gains (several buildings being delivered), the addition of new prime assets in 2018 is only 38% of the average delivered in previous years. After that, the new assets under construction in the city will be saturated, and the forecast for new prime assets is almost zero, noting that the construction of a new building takes on average around 30 months.

Chart 11: New Inventory - São Paulo AA+



With lower supply addition and demand starting to increase (a positive level of net absorption is expected for the coming years), we should see a significant increase in rental prices, as evidenced in some premium areas of the city of São Paulo.

Chart 12: Net Absorption/Ask Price
CBD Class AA+ Average



The same study on corporate property was carried out in Rio de Janeiro, where the situation is relatively different. After new corporate developments hit peak delivery in 2016 with around 236km² of office space, the local real estate market closed 2017 with approximately 100km² of new deliveries and is expected to close 2018 with almost zero. Furthermore, there is less office space coming

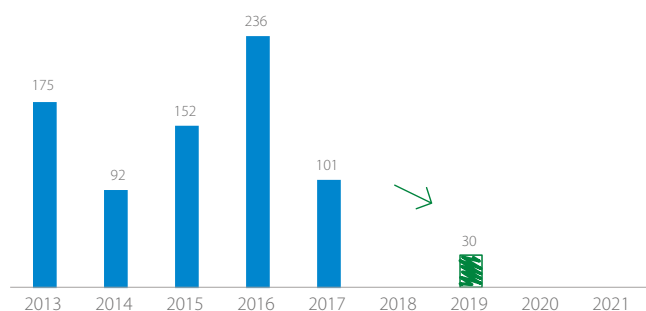
Chart 13: Asking Rent - Class AA+



to the market in the short term, which will help reduce vacancy rates in the medium term.

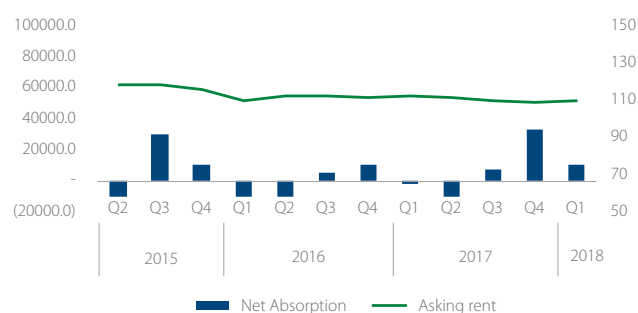
We are of the view that the figures confirm this investment thesis. After ending 2017 with net absorption of 28.9km², 2018 began (first quarter) with 10km² net absorption, the highest net absorption for this period since the first quarter of 2014.

Chart 14: New Inventory - Rio de Janeiro AA+



The average asking rental price rent for prime assets, which are located in Central Business District ("CBD") in Rio de Janeiro dropped between mid-2016 until the end of 2017. However, the first quarter of 2018 showed an increase, reaching R\$ 109.9/sqm. This increase is primarily caused by the exit of some tenants from buildings with high price tags, in addition to the delivery of AQWA Corporate⁵, a new office complex that still had high vacancy and was priced above the market average.

Chart 15: Net Absorption/ Average Asking Rent CDB Class AA+



The year of 2017 was marked by few buying and selling transactions in the city of Rio de Janeiro. Of the few transactions that occurred, the cap rate was close to 10% based on our estimates, which is the highest level ever observed. Going forward, it is expected that the cap rates of future real estate transactions will fall. Even though Rio de Janeiro may post a slower recovery than São Paulo, a gradual increase in the value of real estate is expected over the next few years.

⁵ AQWA Corporate is a class A office complex offering 141,000 square meters of leasable space, located in Rio de Janeiro.

2.4. Momentum: a great opportunity for distressed real estate

Notwithstanding the tough recession that Brazil endured, opportunities in Brazilian real estate are now increasing - especially in distressed markets (which typically offer a higher potential return).

In addition, and as a positive side-effect of the crisis, the Brazilian real estate market has become more mature, having improved in regulation and oversight and having developed mechanisms that allow creditors to process, enforce and collect on foreclosures more effectively.

This positive trend in both the economic and regulatory environment has broadened the opportunities for the acquisition of distressed real estate at substantial discount to the fair market value.

That being said, in order to capture the opportunities available in the Brazilian real estate distressed market, our main investment thesis and portfolio allocation will be concentrated in the purchase and sale of the following assets (Target Assets), namely:

- ▶ Real estate foreclosures by developers who were denied financing post-construction.
- ▶ Real estate returned by buyers that couldn't afford a bank loan after construction.

- ▶ Real estate owned by companies that filed for bankruptcy or judicial recovery.

It is important to emphasize that the targeted real estate at hand will be generally located in the States of São Paulo and Rio de Janeiro and will correspond to urban properties.

As a result of this allocation, we expect:

- ▶ Bargain opportunities. Acquisition of real estate with a discount to fair market value.
- ▶ Potential gains on divestment of real estate as against current price levels.
- ▶ A suitable position to benefit from the recovery of the Brazilian real estate market
- ▶ Strong market outperformance possibilities: when it comes to distressed investments, there is a general trend for higher yield profits than other financial investments in general.
- ▶ Solid portfolio performance under the management of BTG Pactual group/Enforce.



3. OUR TOKEN

3.1. Blockchain, Tokens and STOs

A blockchain is a decentralized and immutable public database of transactions. The database is organized by connecting a chain of blocks together. Each block contains a group of transactions and the blocks are ordered chronologically and linked together, using cryptographic hashes⁷. Large quantities of computational resources must be expended to create each block, and each one contains the previous block's hash. This is how they are chained.

One of the earliest uses of a blockchain was in the creation of Bitcoin. It was the first digital currency following the ideas set out in a white paper written by Satoshi Nakamoto⁸. Bitcoin's blockchain maintains a complete ownership history of every cryptocurrency unit ever created and uses different computer technologies - developed over the years - to guarantee its safety. The underlying blockchain technology enabled highly-efficient transactions to take place between pseudo-anonymous individuals. For the first time in the digital realm, people could place their trust in technology when transacting, rather than turning to an intermediary.

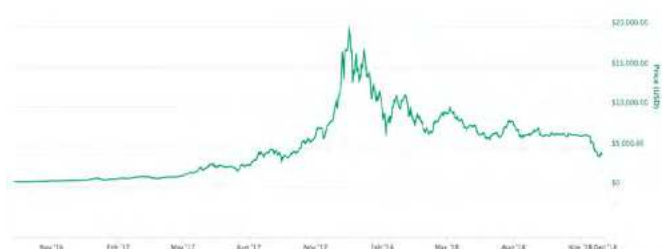
After the popularization of Bitcoin (mainly related to its price increase during the years of 2014-2017, that can be seen in this chart), hundreds of startups have emerged using blockchain in a variety of new and innovative ways. Examples include: (i) facilitating bank settlements, (ii) creating markets for unused computer resources, and (iii) prediction and wagering platforms.

One of the most widely used projects based on this technology is Ethereum⁹, which uses a concept of virtual quasi-turing machine - called the EVM (Ethereum Virtual Machine) - and a high-level programming language - called Solidity - to facilitate the creation of smart contracts¹⁰.

Entrepreneurs realized that if they coupled blockchain technologies with smart contracts, they could build decentralized applications ("dApps") for all types of processes. In order to fund development of these dApps, developers began fundraising through the issue of non-asset backed cryptocurrency or digital tokens which were designed to be utilized on the dApp itself or in an ecosystem or platform created by the developer and known as "utility tokens". This form of fundraising was termed an initial coin offering ("ICO").

However, as several ICO projects have failed to deliver or have been tarnished by fraud, the demand for utility tokens has decreased. Instead, consumers are now looking for tokens with real substance for their digital investments. As a security token offering or "STO" offers a token with

Chart 16⁶: Bitcoin value
Nov/16 - Nov/18 (\$)



⁶Source: coinmarketcap.com

⁷A hash or hash number is the output produced by a hash function, which takes an input object (or 'message') and returns a fixed-size alphanumeric string.

⁸Satoshi Nakamoto is the name used by the unknown person or people who developed Bitcoin, authored the Bitcoin white paper, and created and deployed Bitcoin's original reference implementation.

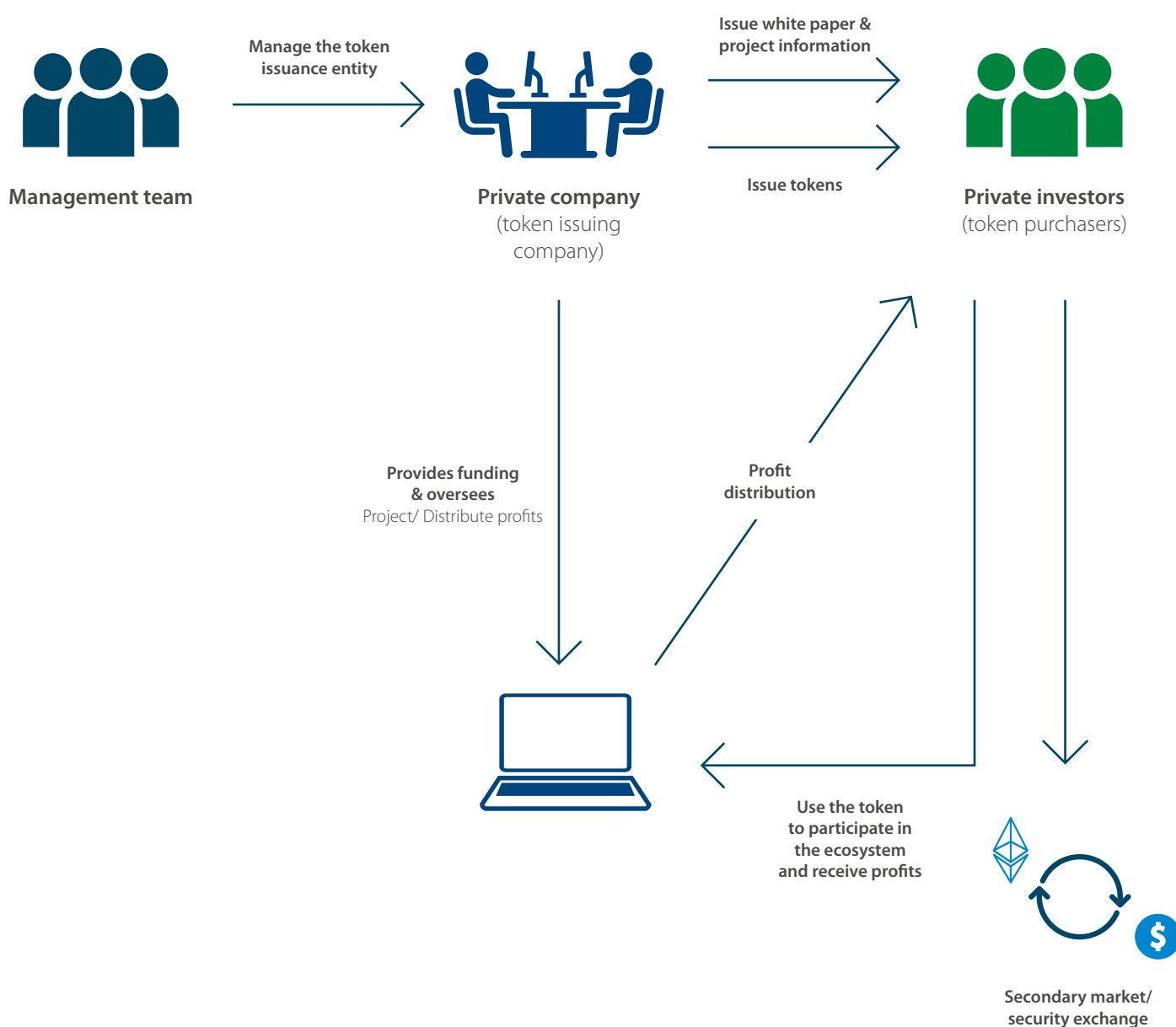
⁹As with Bitcoin, the foundational principle of Ethereum is to enable the operation of distributed transactions and applications outside of third-party interference. The Ethereum Foundation's website describes it as follows: "Ethereum is a decentralized platform that runs smart contracts".

¹⁰A smart contract is a computer code running on top of a blockchain containing a set of rules under which the parties to that smart contract agree to interact with each other. If and when the pre-defined rules are met, the agreement is automatically enforced. The smart contract code facilitates, verifies, and enforces the negotiation or performance of an agreement or transaction. It is the simplest form of decentralized automation.

the promise of a return (by way of profits, assets or both) as opposed to the promise of utility,

purchasers of such tokens are better protected from project failure or fraud.

In short, the general structure of a STO is as follows:



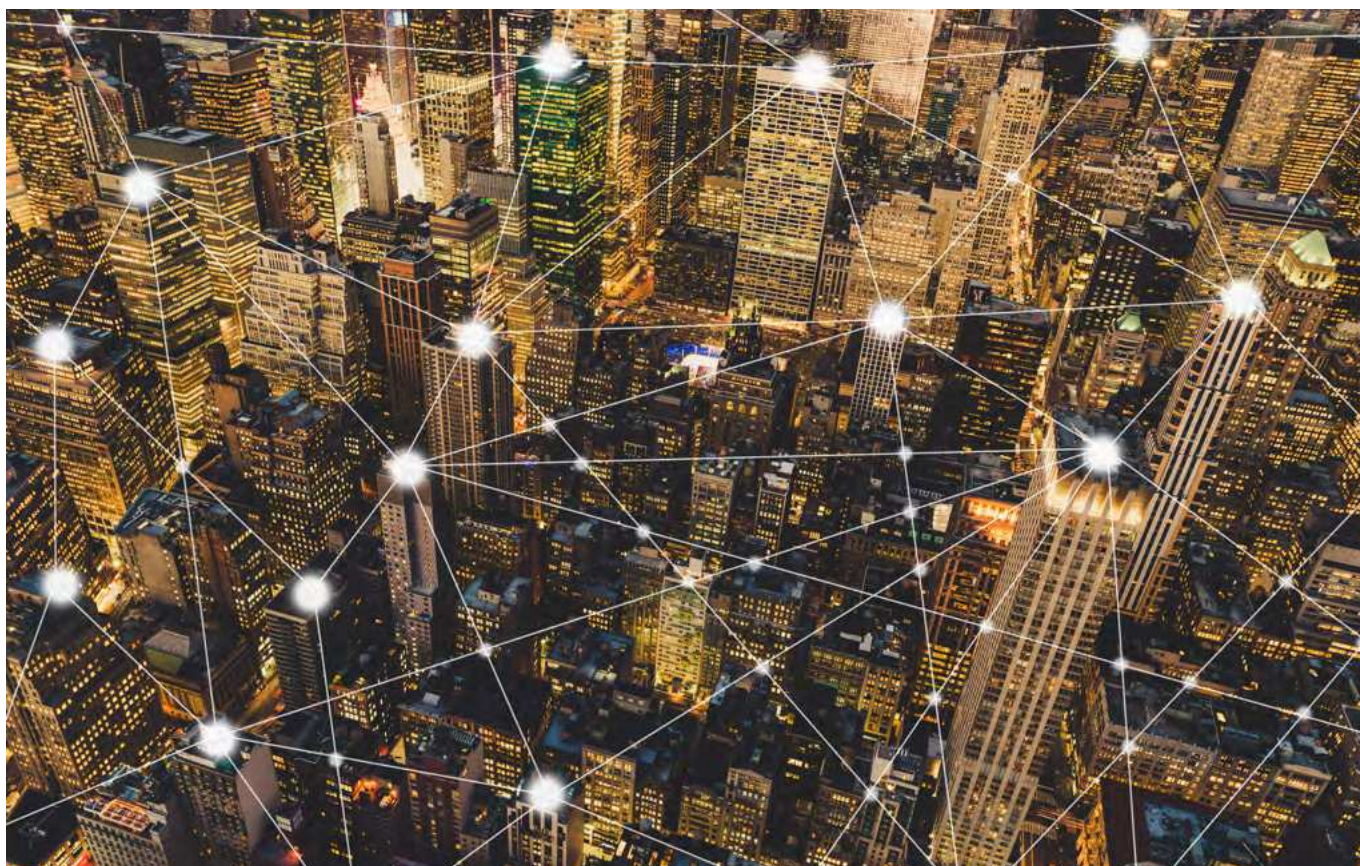
Our STO will be based on an audited smart contract generating the requisite tokens (RBZ). Purchases will be made in crypto-assets, either ETH or Stable Coin. Our Token will rely on the widely used Ethereum Network and the ERC20¹¹ standard protocol, the most established blockchain-based smart contract technology to date. The use of ERC20 in the creation of digital tokens is tried and tested in many STOs.

By relying on blockchain technology, the REIT BZ structure aims to eliminate several bureaucratic procedures and increase cost-efficiency as compared to general costs deriving from financial investments that focus on similar underlying assets, such as the Brazilian Real Estate Investments Funds ("FII") governed by Normative Ruling No. 472 of the Brazilian Securities Commission. For the sake of comparison, the following costs that would be normally verified on a yearly basis in the

FIs structure would be eliminated with the use of blockchain:

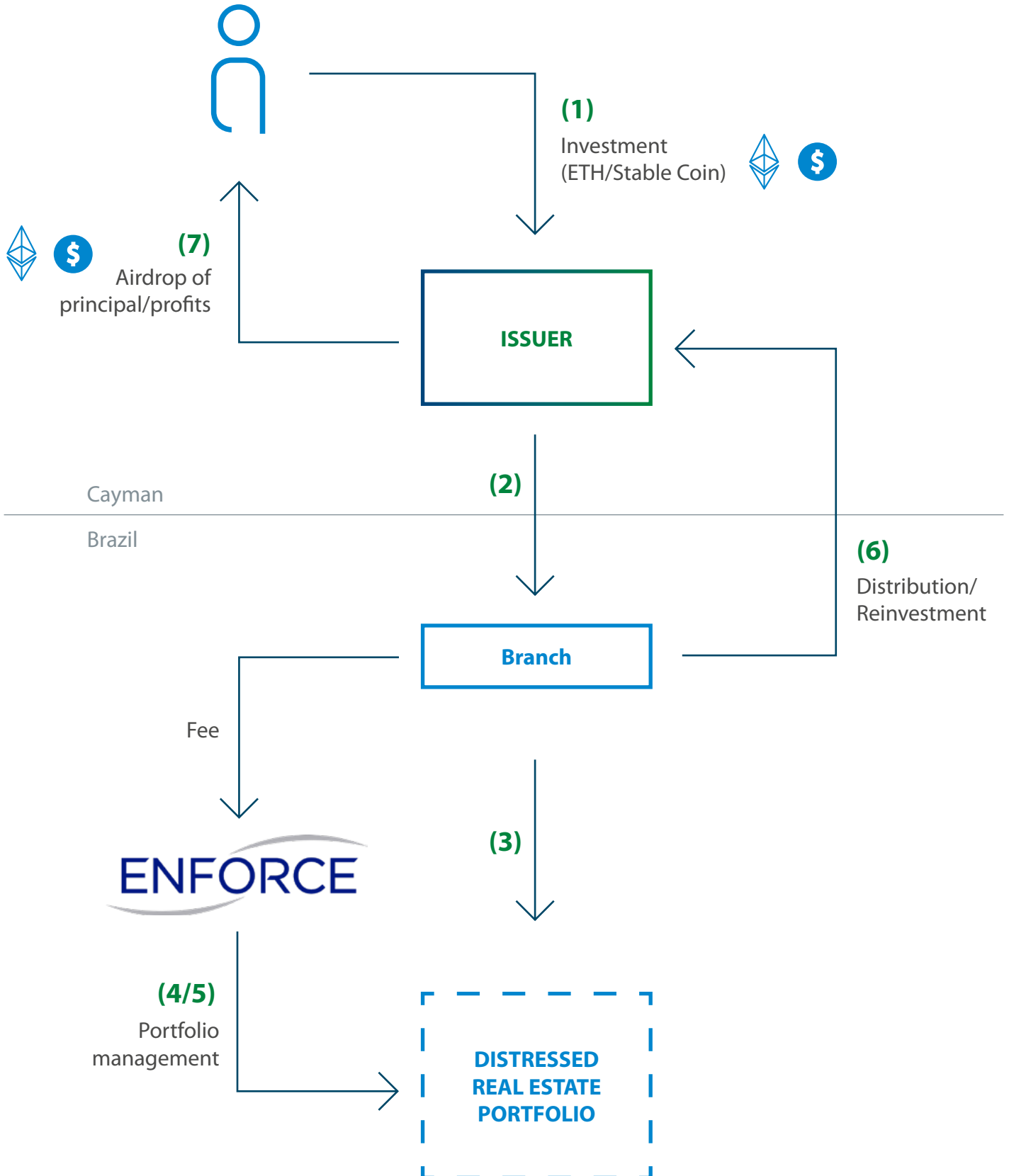
- ▶ Fund administration fees (0.2% on NAV)
- ▶ Bookkeeping fee (0.05% on NAV)
- ▶ Custody fee (0.003% of NAV)
- ▶ Structuring fee (R\$ 50k flat)
- ▶ Intermediation fees (stock exchange, related service providers, among others, (up to 0.02% on NAV, depending on amount invested)

Finally, it is important to emphasize that, in contrast to many ICOs, the funds raised during the STO will not be retained by the Issuer or any other participant of the STO and shall only be used to invest into Target Assets.



¹¹ ERC20 is a protocol that permits the standardization of the smart contracts that run on Ethereum Networks and allow those tokens to be easily integrated to the main wallets. This protocol is widely used in the blockchain market and more easily auditable.

3.2. Purchase Structure - in practical terms, how does the STO work?



1 After KYC/AML approvals, each Purchaser subscribes Tokens by entering into terms and conditions of purchase and delivering (i) ETH; or (ii) Stable Coin. On the specified delivery date, the Issuer provides the Purchaser with Tokens;

2 The Issuer exchanges the cryptocurrencies received for fiat currency (Brazilian Reais) and invests directly into Target Assets via a branch of the Company registered in Brazil;

3 The funds are deployed for the acquisition of distressed real estate assets (Target Assets);

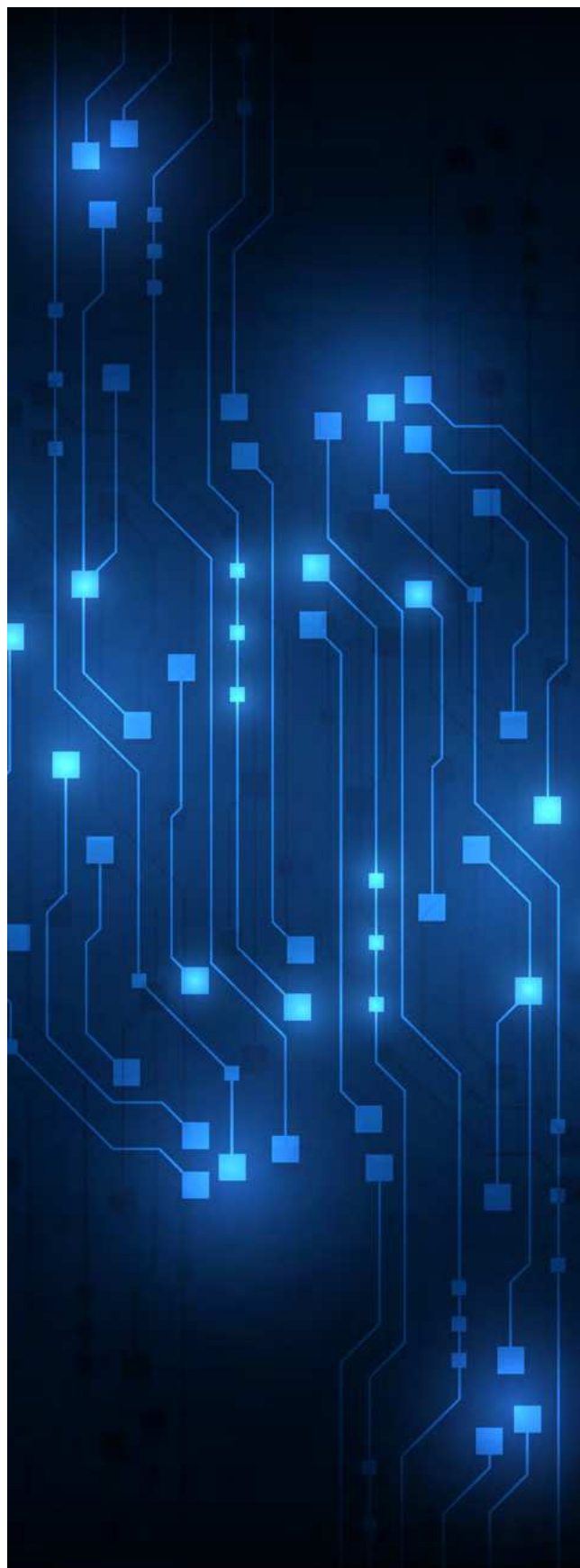
4 Enforce manages Target Assets and receives a Success Fee, as defined below;

5 Issuer sells (via its Brazilian branch) Target Assets at a profit¹²;

6/7 Issuer may then reinvest proceeds of sale into further Target Assets or may exchange proceeds for (i) ETH or a (ii) Stable Coin and airdrop¹³ profits pro rata to the Tokenholders in (i) ETH or a (ii) Stable Coin, as described in the item “Terms and mechanisms for distribution of profits” of the White Paper.

As consideration for the management services provided, Enforce will be entitled to a Success Fee, composed as follows:

- ▶ 1% on the funds allocated to buy a given Target Asset;
- ▶ 10% on the net collection arising from the sale of Target Assets (i.e. sale value, reduced by all costs related to the real estate, fees and taxes); and
- ▶ 30% performance fee on the amount exceeding a 15%/year post-tax hurdle rate of the Target Assets portfolio.



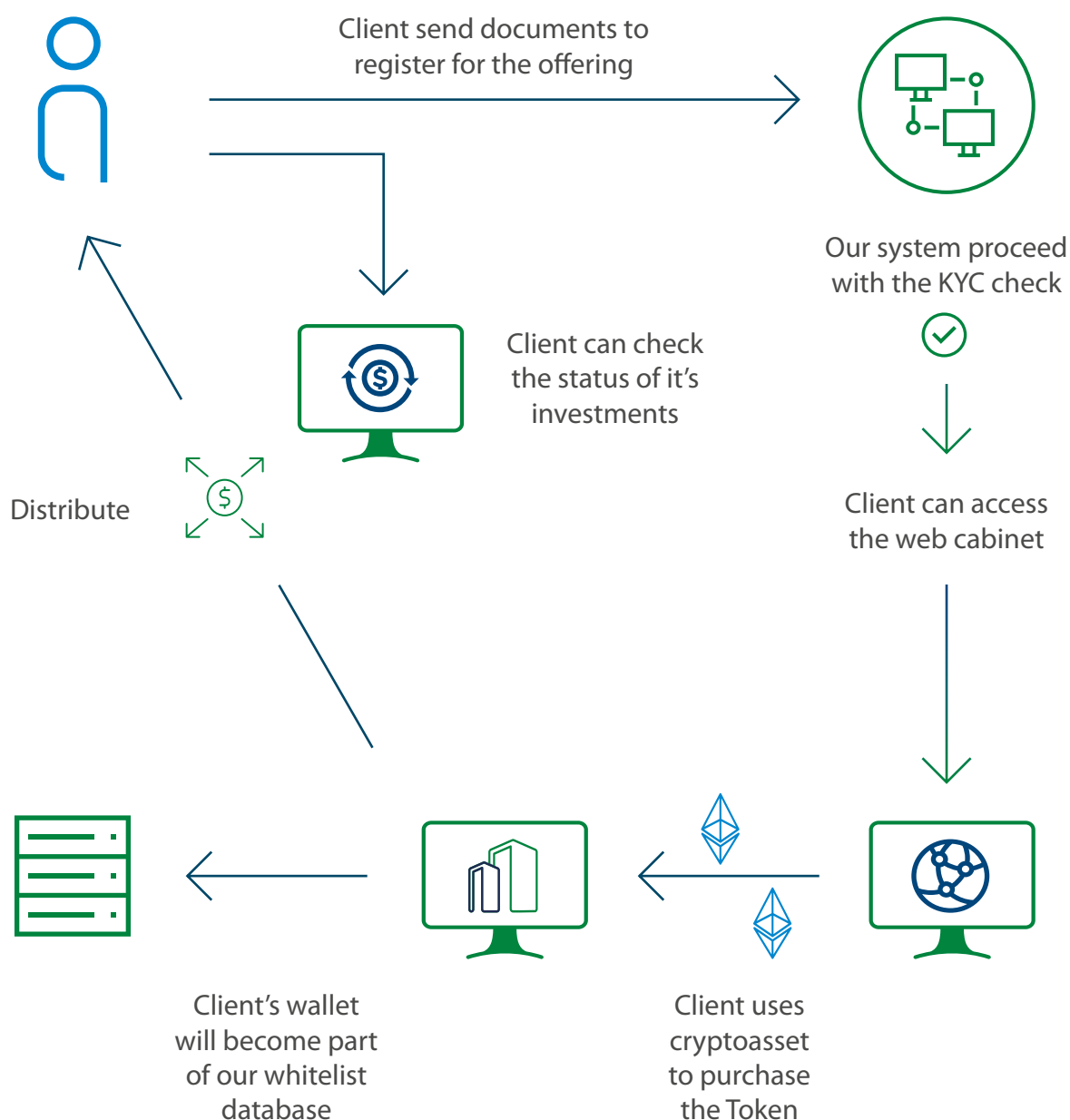
¹² Gross revenues subject to 6.73% corporate tax (all-in).

¹³ The process whereby a cryptocurrency issuer distributes tokens – in the case of REIT BZ, either ETH or a Stable Coin – to the wallets of users.

3.2.1 Client Perspective and User Experience

As our ambition is to make all the benefits of the blockchain accessible to the public, we are designing a visually, intuitive and user-friendly interface to for purchasers to access our offer.

Information will be presented and organized in a straightforward manner. From the purchaser's perspective, the Token offering should hold as follow:



3.3. Benefits for Tokenholders

Our token intends to provide Tokenholders with the following benefits, namely:

- ▶ An asset-backed token in a market currently dominated by tokens lacking intrinsic value;
- ▶ Access to investments in distressed real estate to foreign purchasers that may be unable to invest directly in Brazil because of lack of local operational expertise;
- ▶ Access to distressed real estate to foreign purchasers that may be unable to purchase directly in Brazil because of lack of local operational expertise;
- ▶ An evergreen vehicle that reinvests all or a large part of the cash flow from operations into new opportunities;
- ▶ Future liquidity in a secondary market; and
- ▶ The ability to get paid periodic distributions of profits in the form of token airdrops based on the number of Tokens held.

Tokenholders have several potential ways to profit from the purchase of Tokens:

- ▶ Over time, it is expected that the Tokens may reflect the appreciation of the fair value of the Target Assets. This aspect should be more evident as soon as secondary trading is available;
- ▶ Likewise, a portion of the Target Assets may be rented to third parties, generating an additional stream of revenue (although that will not be the main focus of our investment strategy);
- ▶ Upon certain conditions outlined below, Tokenholders will be eligible to receive periodic airdrops from rental income produced by the Target Assets in addition to proceeds from any sales; and

- ▶ Profit distribution will be carried out through (i) ETH airdrops; or (ii) Stable Coin airdrops.

The terms and mechanisms for distribution of profits.

As a Cayman Island's foundation company, the Issuer will designate Tokenholders as a class of beneficiary of the Issuer. Under such designation, and subject to the terms and conditions of the purchase, the Issuer will set out terms including, but not limited to, the following:

- ▶ Each Tokenholder will be granted a proportionate right to any airdrop of (i) ETH or (ii) a Stable Coin that is declared and made by the Issuer (each an "Airdrop"), such right proportionate according to the number of Tokens held by such Tokenholder against the total Tokens then in issue, each to be determined at the time of the Airdrop;
- ▶ The directors of the Issuer will, at all times, have sole discretion as to whether the profits generated by the Target Assets (including any capital gains and/or distributable rent) are to be partially or fully distributed to Tokenholders through Airdrops, reinvested or used for other purposes (including, but not limited to, satisfying liabilities, expenses, running costs and other fees);
- ▶ The Airdrop of profits by the Issuer is at the discretion of the Issuer at all times up until the time of payment to the Tokenholders and is revocable by the Issuer at any time.
- ▶ The Issuer may never make a profit or have any funds available to make and Airdrop to Tokenholders;
- ▶ All Airdrops are contingent and conditional;
- ▶ The Airdrop will be made in either (i) ETH) or (ii) Stable Coin and any profits generated in fiat currency or otherwise are eligible for distribution

(as determined by the Issuer) will be exchanged into either (i) ETH or (ii) Stable Coin, as applicable, by the Issuer on a date and time to be determined by the Issuer in its sole discretion;

► The declaration of an Airdrop by the Issuer will not give rise to (i) a debt as between the Issuer and the Tokenholder or any other person; or (ii) a trust relationship as between the Issuer and the Tokenholder or any other person or the holding on trust of any property on behalf of the Tokenholder or any other person by the Issuer;

► Any payment following a declaration of an Airdrop to Tokenholders will be made on a date (the "Airdrop Date") determined by the Issuer in its sole discretion;

► Any advance notice of an Airdrop Date and the amount of either (i) ETH) or (ii) Stable Coin to be Airdropped pursuant to each Token will be given by the Issuer via a website or through any other reasonable means as determined by the Issuer;

► The Airdrop will be made on the Airdrop Date only to those Tokenholders that have satisfied the Issuer's anti-money laundering ("AML") and "Know your Customer" ("KYC") requirements with respect to such Tokenholder (together, the "Airdrop Information") as periodically determined by the Issuer;

► Where a Tokenholder fails to supply sufficient Airdrop Information to the Issuer by the Airdrop Date, such Tokenholder will not qualify to be a recipient of such Airdrop (in such case, a "Disqualified Holder") and the Issuer will not Airdrop any ETH or Stable Coin to such Tokenholder on the

Airdrop Date and the Tokenholder will have no right or claim to any part of such Airdrop and any ETH or Stable Coin that may otherwise have been attributable to such Tokenholder in such Airdrop (the "Disqualified Airdrop") shall be retained by the Issuer and used by the Issuer in its sole discretion;

► The Disqualified Airdrop that is retained by the Issuer shall not give rise to (i) a debt as between the Issuer and the Tokenholder or any other person; or (ii) a trust relationship as between the Issuer and the Tokenholder or any other person or the holding on trust of any property on behalf of the Tokenholder or any other person by the Issuer; and

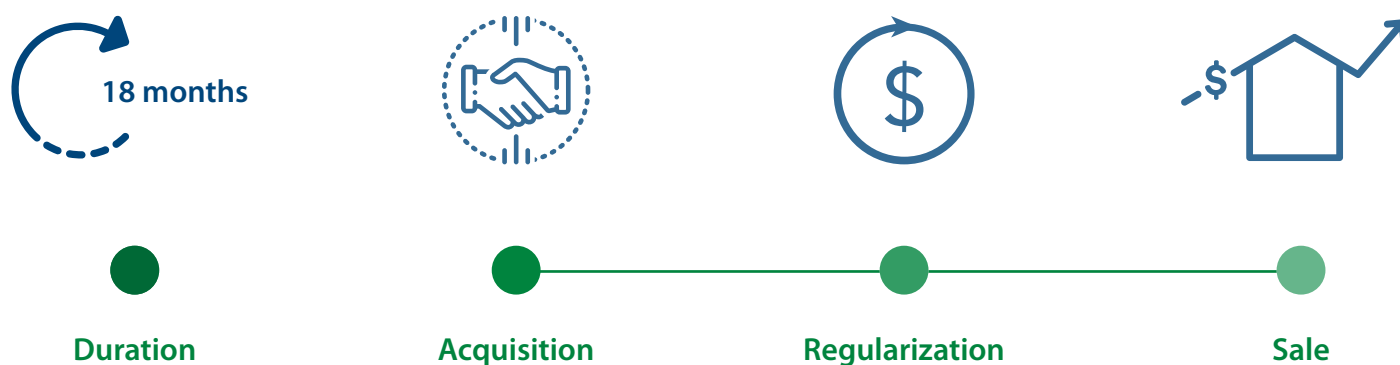
► Should a purchaser transfer a Token to any other person, such initial purchaser will have no right to any Airdrop in relation to such Token following such transfer.

The terms above are a general overview of the terms of designation of beneficiary to be determined by the directors of the Issuer at its sole discretion, and may not be relied upon by potential purchasers or Tokenholders for any reason or for any claim including, for example, misrepresentation or as contractual terms enforceable against the Issuer. The Issuer reserves the right to amend the terms above for any reason it sees fit including, but not limited to, (a) any further technical considerations as may be required or (b) in order for the Issuer to comply with any of its legal or regulatory obligations.

In the event of a conflict between this Whitepaper and the terms and conditions of purchase, the terms and conditions shall prevail.

3.4. Target Asset Level - Key aspects and indicators

Target Asset management will be aligned with the proposed investment thesis described throughout this document:



► **Duration** of **18 months**, from acquisition to divestment of the Target Asset.

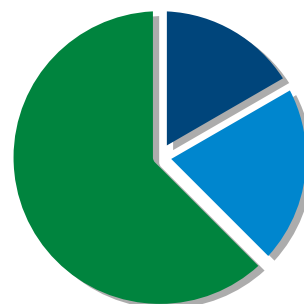
► **Acquisition** at **discount rates**, generally ranging from **30% to 60%** of Target Asset fair market value.

► **Regularization** of the Target Asset to leave it ready to be sold (i.e. settlement of disputes involving ownership title, removal of irregular occupants, renegotiation of debts associated with the real estate), will involve the hiring of lawyers, payment of fees to public bodies, eviction, etc. Estimated **costs of 10 to 20%** of real estate value in this regard.

► Profits recognized out of the **sales** of Target Assets will be recorded by a local entity (please refer to item 3.2) and **distributed via dividends** that will back the airdrops destined to the Tokenholders.

► All the business decisions associated with the investment in Target Assets will be taken by BTG Pactual/Enforce,

The token platform will feature a transparent dashboard with updated statistics regarding the Target Assets / Tokens.



3.5. Secondary Market

At the inception of the STO, no secondary market trading of the Tokens will be available. We intend to create a marketplace with strategic partners to provide Tokenholders with the ability to exchange their assets, thus potentially increasing liquidity.

BTG Pactual will provide liquidity (including through equivalent market making activities) to Tokenholders that intend to dispose of their

investment in Tokens by means of periodic repurchases, which will take place at the request of interested Tokenholders on ReitBZ's website.

Further down the road, and subject to any legal or regulatory requirements, the Issuer intends to list the Tokens on the main security token exchanges around the world.

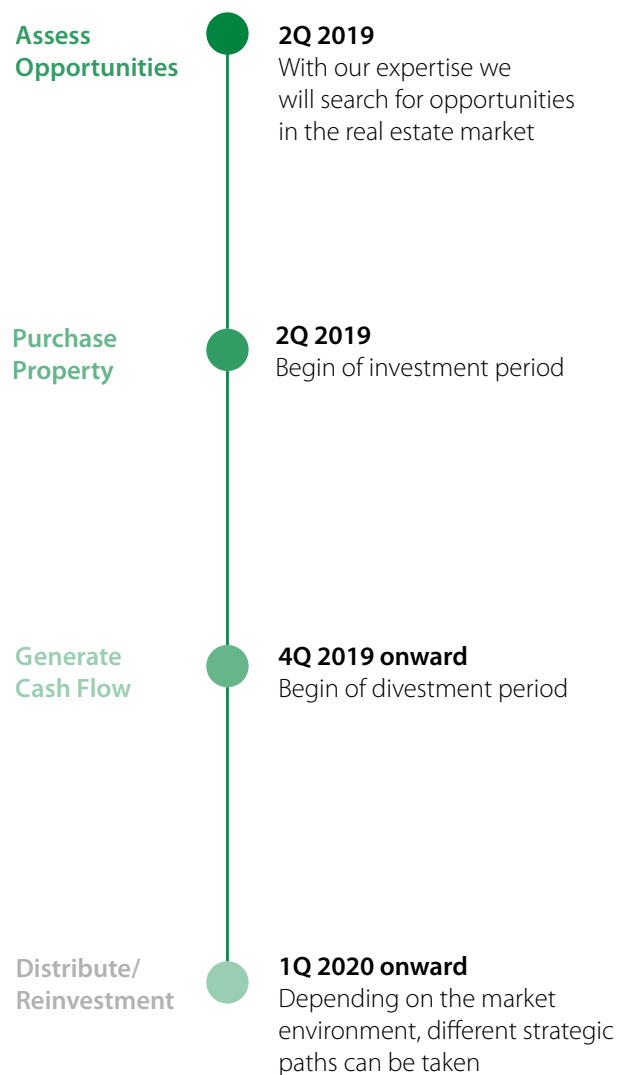


3.6. Issuance / funds allocation roadmap

STO Road Map



Investment Road Map



4. TEAM AND BTG PACTUAL EXPERIENCE

4.1. BTG Pactual

This STO relies on the expertise of Group BTG Pactual, a Latin American multi-service investment bank, asset manager and wealth manager.

Group BTG Pactual started as a securities distributor in 1983. In 2006, UBS A.G., a global financial services institution, and Banco Pactual S.A. partnered to create Banco UBS Pactual S.A. In 2009, Banco UBS Pactual S.A. was acquired by the BTG Investments Group, setting up the BTG Pactual Group, which operates in different areas such as: research, corporate finance, capital markets, mergers and acquisitions, wealth management, asset management, sales and trading as well as real estate and special situations.

In Brazil, BTG Pactual has offices in São Paulo, Rio de Janeiro, Porto Alegre and Recife. BTG Pactual is also present in London, New York, Santiago, Mexico City, Lima, Medellín, Bogotá and Buenos Aires.

BTG Pactual Group is a leading investor in the Latin American real estate market, with significant expertise in investing throughout the region.

BTG Pactual's platform is structured to exploit market opportunities:

- ▶ One of the leading real estate investors in Latin America;
- ▶ +30 investment professionals exclusively focused on Real Estate;
- ▶ More than US\$ 2.1 billion under management;
- ▶ Strong industry relationships; and
- ▶ Euromoney award for best Real Estate Investors 2017 and 2018.

4.2. Enforce

BTG Pactual Group is the controlling shareholder of Enforce, a company specialized in investing into and recovering distressed real estate and non-performing loans ("NPLs").



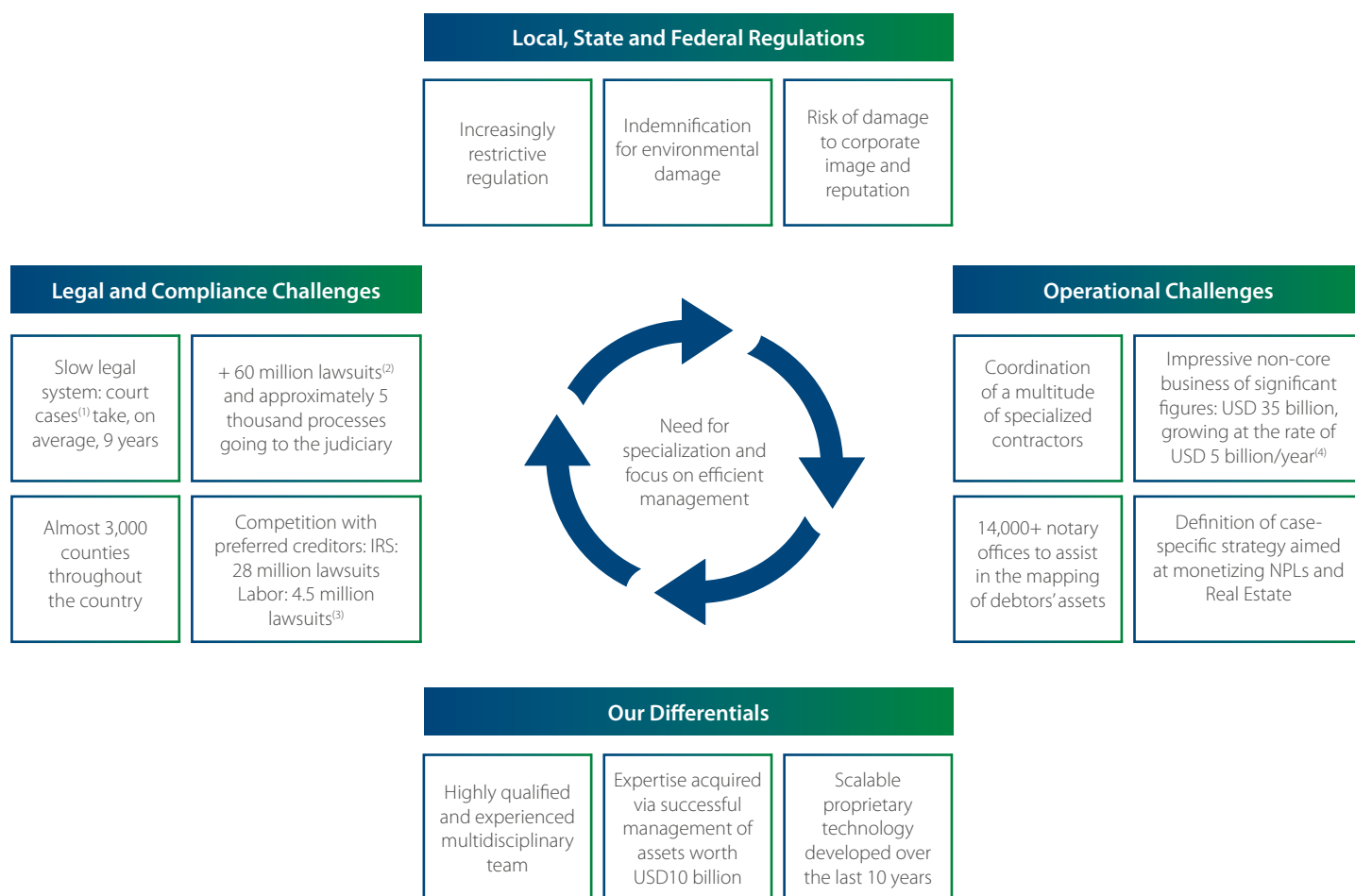
Enforce expertise comes from a history of more than 10 years of activities, with the most specialized team in the market and approximately 100 employees. Key figures include:

- ▶ USD 12bn in distressed debt and distressed real estate assets under management, with highly scalable structures and technology;
- ▶ USD 7mn investment in software development and management tools based on cutting-edge

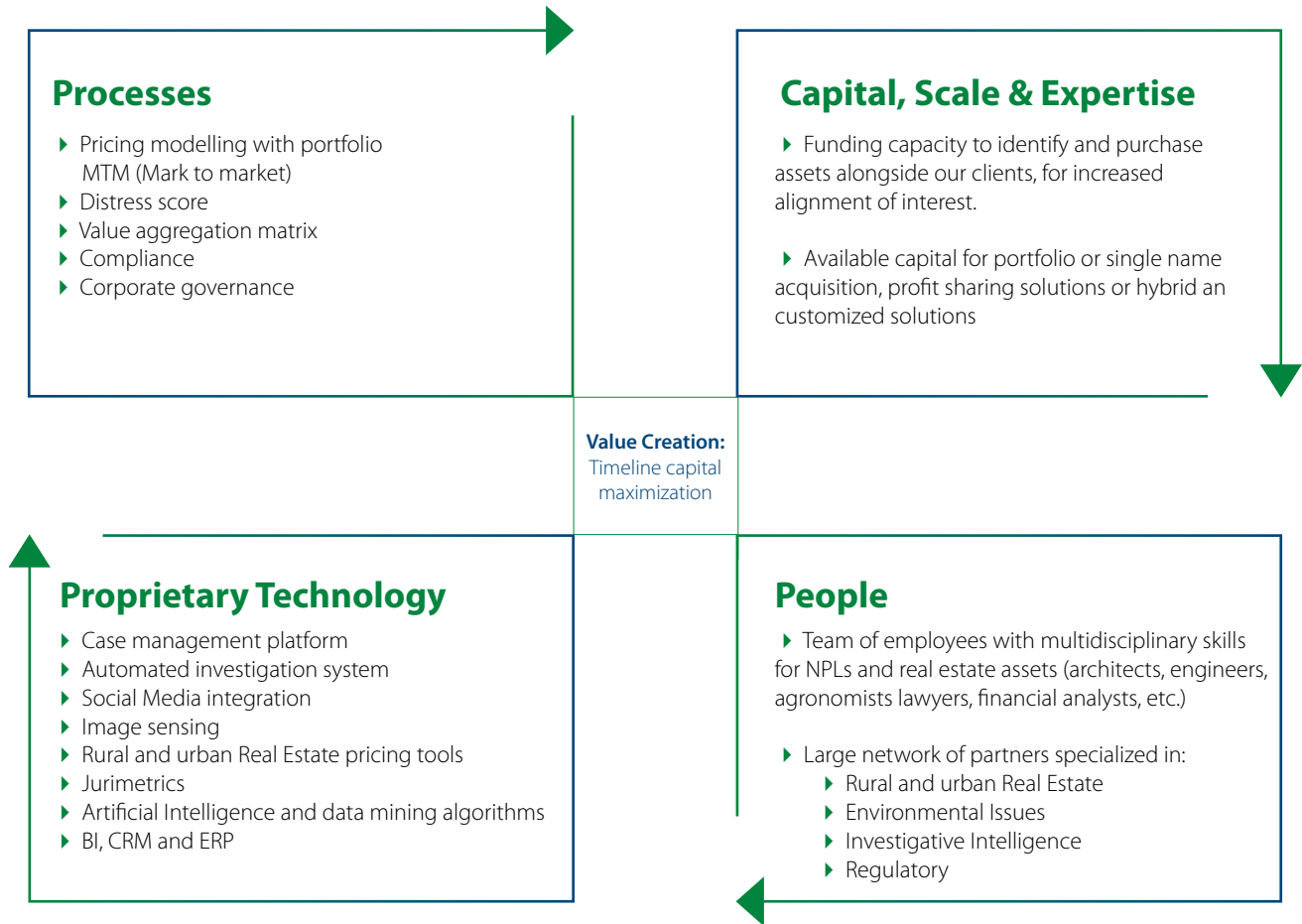
technology such as artificial intelligence and data mining;

- ▶ Management of over 11,000 court cases distributed between thousands of non-performing corporate loans and real estate assets;
- ▶ USD187mn in third-party real estate assets under management; and
- ▶ Over 6,700 properties regularization and sale.

Challenges of the Distressed Real Estate Markets



Focus on value creation - the Enforce differentials



Technology for Management

Investigative Intelligence

- ▶ Data mining of several databases for identification of key factors in loan recovery.
- ▶ Artificial intelligence models for generation of non-obvious correlations related to the debtor and his/her debts' collateral



Business Intelligence and MIS for distressed assets

- ▶ Task management/workflow, scripts for analysis of every asset
- ▶ Distressed asset regularization intelligence: performance indicators, time, pricing, etc. Integrated and applied innovation



CRM: Intelligent pricing, management and sales

- ▶ 1000+ partners classified by expertise to evaluate, price, market and commercialize assets
- ▶ End-to-end control of the sales process
- ▶ Effective management with scale, due to mapping of potential buyers based on the specific characteristics of the asset in question
- ▶ Definition of sale strategy before property acquisition

Sensing for asset monitoring and analysis

- ▶ Liabilities, regulatory restrictions and utility
- ▶ Quick identification of any issues



Geospatial Vision of 100% of Portfolio

- ▶ Collaterals + Real Estate assets
- ▶ Search and geolocation of collaterals, valuation drivers, risk and fraud analysis, etc.
- ▶ Correlation with sensorial analysis



5. RISK FACTORS

We strongly recommend that each Purchaser review the risk disclosures below in detail before purchasing Tokens. Each Purchaser will be required to acknowledge the risks set out below in the terms and conditions of purchase which each Purchaser must enter into in order to purchase Tokens.

In addition, on 23 April 2018, the Cayman Islands Monetary Authority (CIMA) issued an advisory on the potential risks of purchasing tokens in Initial Coin Offerings and all forms of virtual currency.

CIMA stated that token purchasers should thoroughly research virtual currencies, digital coins, tokens, and the companies or entities behind them in order to separate fiction from fact. For further information on the CIMA advisory, token purchasers are encouraged to visit the following link:

https://www.cima.ky/upimages/noticedoc/1524507769PublicAdvisory-VirtualCurrencies_1524507769.pdf

5.1. Risk factors relating to Brazil and the macroeconomic scenario

The Brazilian government has significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, could adversely affect the tokens.

The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant changes in policy and regulation. The Brazilian government, recently elected, could have an impact on inflation rates, interest rates, changes in tax policies, wage and price controls, currency devaluations, capital controls, exchange controls and several other matters. We cannot control or predict the Brazilian government's future policy

decisions. Any uncertainty over whether the Brazilian government will implement changes affecting these and other factors may create instability and, as a result, this may adversely affect the tokens and their price.

Adverse economic conditions in the regions where the real estate properties will be located may adversely affect our capability to make airdrops to the Tokenholders.

Adverse regional and/or national economic conditions may restrict the ability to negotiate acceptable prices and other conditions, affecting our ability to make airdrops to the Tokenholders..

5.2. Risk Factors Relating to Real Estate Investments

The Issuer's operating results are subject to fluctuations in real estate market prices generally, and in Rio de Janeiro and São Paulo specifically, as a substantial portion of the Issuer's properties will be located in these two states.

The value of the Issuer's assets may increase or decrease according to price fluctuations in listed market prices. Decreasing property values, especially in São Paulo and Rio de Janeiro, may adversely affect the Token's profits from any sale of properties and/or rental income, as well as the trading price of the Token.

Investments in the real estate market may be illiquid and may expose the Issuer to liabilities and contingencies incurred prior to the acquisition of a real estate property.

Investments in the real estate market may be illiquid, and this can make the purchase and sale of properties more difficult, adversely impacting the prices of such properties in the event of a purchase or sale under pressure. Real estate property may expose an acquirer to liabilities and contingencies incurred before its acquisition. Disputes over land ownership on which acquired real estate properties are located as well as disputes over the ownership of properties themselves may occur. The Issuer will make its best efforts to accomplish due diligence, contractual guarantees or indemnifications to prevent, protect against, or compensate for contingencies that may arise from the acquisition of Assets. Considering the limitations of the scope of a due diligence investigation, the debts of previous property owners may continue to encumber the property, and disputes over the clearance of a property that had not been previously identified or resolved may also exist.

5.3. Risk Factors Relating to Legal and Regulatory Framework

We are subject to anti-corruption, anti-bribery, anti-money laundering, sanctions and antitrust laws and regulations.

We are required to comply with the applicable laws and regulations of Brazil and the Cayman Islands, and we may become subject to such laws and regulations in other jurisdictions. We cannot guarantee that our internal policies and procedures will be sufficient to prevent or detect any inappropriate practices, fraud or violations of law by our affiliates, employees, officers, executives, partners, agents, suppliers and service providers, nor that any such persons will not take actions in violation of our policies and procedures. Any violations by us or any of our affiliates, employees, directors, officers, partners, agents, suppliers and service providers of anti-bribery and anti-corruption

laws or sanctions regulations could have a material adverse effect on our business, reputation, results of operations and financial condition.

Compliance with the laws and regulations applicable to real estate properties, including permit, license, zoning and environmental requirements, may adversely affect the Issuer's ability to make future acquisitions, developments or renovations, result in significant costs or delays and adversely affect the Issuer's portfolio growth strategy.

Owners of real estate are subject to federal, state and municipal environmental laws and regulations. These laws and regulations may delay property renovations and expansions, cause the Issuer to incur significant compliance costs, and

prohibit or severely restrict these activities. Any non-compliance with the environmental laws and regulations by the Issuer and/or the tenants may also lead to administrative sanctions, including fines, prohibition of activities, cancellation of licenses and revocation of authorizations, in addition to civil or criminal sanctions against the Issuer. Government authorities may also impose other restrictions on the use and disposition of real estate properties, including, among others, a prohibition on any modifications to their external appearance for historical preservation purposes. Any such expropriations or additional restrictions may have an adverse effect on the Token, its assets and financial condition and result.

The real estate market in Brazil is very sensitive to the regulatory framework and the political agenda of the political party in power.

During the few last years, the main concern for investments in real estate is the regulation regarding housing cancellation, which establishes a retention of 50% of the amount paid in the event of dissolution. The Dissolution Law is seen by the market as a necessary step towards legal security in contractual relationships between buyers and sellers.

Risks relating to the token regulatory environment:

Regulation of cryptoassets, digital tokens and token offerings is underdeveloped and is likely to evolve quickly, with potentially adverse consequences for Tokenholders. In addition, developments in regulation may change the nature of the Issuer's business or restrict the use of blockchain assets or the operation of a blockchain network upon which the Issuer will rely.

Tokens will be considered securities in various jurisdictions:

Digital tokens are being closely scrutinized by various regulatory bodies around the world. There is a substantial risk that in numerous jurisdictions, Tokens may be deemed to be a security. For example, applicable securities laws may limit the ability to hold more than certain amounts of Tokens, restrict the ability to transfer Tokens, require disclosure or other conditions on purchasers in connection with any sale of Tokens, and may restrict the businesses that facilitate exchanges or carry out transfers of Tokens. Every Purchaser of a Token is required to make diligent inquiry to determine if the acquisition, possession and possible transfer of the Tokens are legal in its jurisdiction and to comply with all applicable laws.

The legal ability of the Issuer to provide Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In response to such action, the Issuer may take actions that adversely impact you and the Tokens you hold, including (a) ceasing operations or restricting access in certain jurisdictions, (b) adjusting Tokens in such a way to comply with applicable rules and regulations, (c) restricting distributions or payouts, or (d) ceasing operations entirely.

Issuer is not currently regulated by CIMA:

In regard to the Issuer, a filing has not been made with CIMA, the main regulator in the Cayman Islands. The offering of Tokens is not registered or regulated in the Cayman Islands and the Issuer's activities are not approved or guaranteed by CIMA or by the Cayman Islands' Government. Neither CIMA nor any other governmental authority in the Cayman Islands has any obligation to any Purchaser of Tokens as to the performance or credit worthiness of the Issuer. Neither CIMA nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of the offering of Tokens. CIMA shall not be liable for any losses or default of the

Issuer or for the correctness of any opinions or statements expressed in this White Paper. There is no investment compensation scheme available in the Cayman Islands to either (i) purchasers of Tokens or (ii) the Issuer.

Blockchain technologies may be subject to unfavorable regulatory actions:

Blockchain technologies have been the subject of intense scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network, associated blockchain networks, and Tokens may be adversely impacted by regulatory actions, including restrictions or prohibitions on their use, purchase, or possession. The Issuer

could become subject to various compliance obligations, such as licensing, minimum net worth requirements, bonding, biographical and financial approval of officers and directors, and other ongoing compliance, examination, and reporting obligations. The application of these regulatory regimes to Tokens is unclear, but if Tokens implicate these requirements we will need to spend time and resources to comply with them or face adverse regulatory action. In addition, Tokens are expected to be based on the Ethereum blockchain, and Tokens are subject to risks related to regulatory inquiries or actions taken with regard to the Ethereum blockchain.

5.4. Risk Factors Relating to the Token

Purchaser may never receive a distribution:

As per the content of this White Paper, it is intended that Tokenholders will be eligible to receive payments from the Issuer upon determination of a distribution to Tokenholders by the directors of the Issuer. However, as per these risk factors, the Issuer may never make a profit or have any funds available to make a distribution to Tokenholders. Furthermore, it is possible that Tokenholders will be ineligible to receive any payout due to the determinations of the Issuer including, for example, where Tokenholders have not provided KYC for AML purposes or where Tokenholders are citizens or residents in those restricted jurisdictions as determined by the Issuer.

Furthermore, any payout shall be subject to the designation terms of the Tokenholders as a class of beneficiary of the Issuer. Such terms may restrict payments by the Issuer under certain circumstances or restrict certain Tokenholders to any payout where such payment would not be in the best interests of the Issuer or would be in breach of any laws or regulations. Furthermore, the

directors have the power to determine that profits of the Issuer may be used for reinvestment or any other purpose (such as satisfying any liabilities) and therefore may choose not to make any distribution to Tokenholders during the time that the holder holds the Tokens. Additionally, the Tokenholder may trade or transfer the Tokens and therefore may lose all rights to any distribution following such trade.

If there is insufficient demand, the STO will be cancelled:

If there is insufficient demand, the STO will be cancelled and purchase orders made by purchasers may be canceled. In such scenario, any amounts already paid by purchasers will be refunded net of charges incurred, if any.

Tokens are non-refundable:

Save where the STO is cancelled, the Issuer is not obliged to provide Tokenholders with a refund for any reason and Tokenholders will not receive money or other compensation in lieu of a refund.

Statements set out in the Whitepaper are merely expressions of the Issuer's objectives and desired work plan to achieve those objectives and no promises of future performance or price are or will be made in respect to Tokens, including no promise of inherent value and no guarantee that Tokens will hold any particular value.

Tokens are provided on an "as is" basis:

Tokens will be provided on an "as is" basis. The Issuer and each of their respective directors, officers, employees, equity holders, supervisors, affiliates and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding Tokens, including any warranty of title, merchantability or fitness for a particular purpose or any warranty that Tokens will be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Issuer and each of their respective directors, officers, employees, equity holders, supervisors, affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

The Tokens will be entirely uninsured:

The Tokens are not like bank accounts or other similar accounts. The Tokens are entirely uninsured and any value they may hold at any time may decrease or be eliminated in the future.

Smart contracts are subject to limitations:

Smart contract technology is still in its early stages of development, and its application is experimental in nature. This carries significant operational, technological, regulatory, reputational, and financial risks. Smart contracts may not be fit for the purpose intended by the Issuer and may contain flaws, vulnerabilities, or other issues, which may cause technical problems or the complete loss of Tokens.

The purchase of the Tokens involves liquidity risks that may subject a Tokenholder to losses:

There is no existing trading market for our Tokens, and we have no guarantees that the Tokens will be negotiated in any exchange or secondary market. The Tokens are a new issuance of digital assets for which there is no established public market. Moreover, there can be no assurance that any such existing token exchanges will accept the listing of Tokens or maintain the listing if it is accepted. There can be no assurance that a secondary market will develop or if a secondary market does develop, that it will provide Tokenholders with liquidity of investment or that it will continue for the life of the Tokens.

In addition, at times it may be difficult to dispose of the real estate assets due to low or nonexistent demand or negotiability. In such cases, we may face difficulties in negotiating or disposing of such assets at a convenient price or time. As a consequence, we depend on the income from our investments to make distributions to Tokenholders.

We will have the right to cancel the Tokens:

We shall have the right to cancel the Tokens of a Tokenholder at any time at our sole discretion, including if the relevant Tokenholder has not provided information requested by us (including, but not limited to, information requested in connection with AML purposes). Any such cancellation shall be made in exchange for a cancellation price, which will be based on the current fair market value attributed to the Token. On the other hand, Tokenholders will have no right to force or induce a repurchase or redemption of the Tokens.

Risks relating to blockchain networks:

Potential purchasers may not have the appropriate skills to secure, trade or collect distributions using the Tokens or to comply with the requirements of the Issuer (including, but not limited to, information requested in connection with a periodic Tokenholder check). Knowledge of blockchain

asset exchanges and other industry participants may be needed to comply with the requirements of the offering.

In addition, the Ethereum blockchain, which will be used for Tokens, is susceptible to mining attacks, including double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and race condition attacks, as well as other new forms of attack that may be created. Any successful attacks present a risk to Tokens, expected proper execution and sequencing of Tokens, and to expected proper execution and sequencing of Ethereum contract computations in general. Mining attacks may also target other blockchain networks with which Tokens interact, which may consequently significantly impact Tokens.

Loss of private keys may render Tokens worthless:

If a private key is lost, destroyed or otherwise compromised and no backup of the private key is accessible, you will not be able to access the blockchain asset associated with the corresponding address, and the Issuer will not be able to restore the private key. Any loss of private keys relating to digital wallets used to store blockchain assets could have an adverse effect on you and the Tokens.

Exchange risks:

If Purchaser sends (i) ETH or a (ii) Stable Coin to the Issuer from an exchange or an account that Purchaser does not control, Tokens will be allocated to the account that has sent (i) ETH or a (ii) Stable Coin; therefore, Purchaser may never receive or be able to recover Purchaser’s Tokens. Furthermore, if Purchaser chooses to maintain or hold Tokens through a cryptocurrency exchange or other third party, Purchaser’s tokens may be stolen or lost.

Risk of incompatible wallet services:

The wallet or wallet service provider used for the acquisition and storage of Tokens has to be technically compatible with Tokens. Failure to ensure this may result in the Purchaser not being

able to gain access to its Tokens.

Risk of weaknesses or exploitable breakthroughs in the field of cryptography:

Advances in cryptography, or other technical advances such as the development of quantum computers, could present risks to cryptocurrencies, Ethereum and Tokens, which could result in the theft or loss of Tokens.

Quantum computers pose several risks to cryptocurrencies due to their incrementally faster processing speeds. Although application-specific integrated circuits (ASICs) used to mine cryptocurrencies are likely to remain faster than quantum computers in the near term, within the next 10 years, experts expect quantum computers to outpace them, with potentially harmful effects on the ledgers. For example, if a group of cryptocurrencies miners controlled a majority of the computational power on the network, it could control of the ledger in a manner adverse to other users. Another issue could arise with private keys, as quantum computers may be able to hack them using the public key. Certain protocols could be changed to be resistant to hacking by quantum computers, but such alternatives may not exist until well into the future if at all. If quantum computers are used to hack cryptocurrencies without our knowledge, ledgers will be affected, which could have a material adverse effect on our business.

Irreversible nature of blockchain transactions:

Transactions involving Tokens that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to theft of a user’s Tokens, the transaction is not reversible. Further, at this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which actions or complaints can be made regarding missing or stolen Tokens. Consequently, the Issuer may be unable to replace missing Tokens or seek reimbursement for any erroneous transfer or theft of Tokens.

The Issuer is subject to cybersecurity and data loss risks or other security breaches:

The Tokens involve the storage and transmission of Tokenholders' proprietary information, and security breaches could cause a risk of loss or misuse of this information, and of resulting claims, fines and litigation. The Tokens may be subject to a variety of cyber-attacks, which may continue to occur from time to time. An attack or a breach of security could result in a loss of private data, unauthorized trades, an interruption of potential trading for an extended period of time, violation of applicable privacy and other laws, significant legal and financial exposure, damage to reputation, and a loss of confidence in security measures, any of which could have a material adverse effect on the financial results and business of the Issuer. Attackers can also manipulate the cryptoassets markets. Moreover, markets for cryptocurrencies are not typically subject to oversight by any prudential or by other regulators that impose minimum financial or business conduct standards, or that require minimum cybersecurity protections. Additionally, attackers can target platforms that buy and sell cryptoassets and digital wallets that hold cryptocurrencies.

Problems in the Ethereum Virtual Machine environment:

Because the Token is based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have a material adverse effect on the functioning of the Token. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Token, including the utilities of the Token, by rendering ineffective the cryptographic consensus mechanism that underpins the Ethereum protocol.

The Ethereum blockchain rests on open source software, and accordingly there is the risk that

the Token smart contract may contain intentional or unintentional bugs or weaknesses which may negatively affect Tokens or result in the loss or theft of Tokens or the loss of ability to access or control Tokens. In the event of such a software bug or weakness, there may be no remedy and Tokens holders are not guaranteed any remedy, refund or compensation.

In terms of the Ethereum blockchain, timing of block production is determined by proof of work, so block production can occur at random times. For example, ETH contributed to the Token smart contract in the final seconds of a distribution period may not get included for that period. Purchaser acknowledges and understands that the Ethereum blockchain may not include the Purchaser's transaction at the time Purchaser expects and Purchaser may not receive Tokens on the same day Purchaser sends ETH. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. Purchaser acknowledges and understands that Ethereum block producers may not include Purchaser's transaction when Purchaser wants and that Purchaser's transaction may not be included at all.

Tax Risks:

The tax characterization of the Token is under consideration in different jurisdictions and may vary even within a jurisdiction. Likewise, the investments made by the Issuer in the Target Assets may be impacted by amendments in tax regulations in force to date. Prospective Tokenholders must seek their own tax advice in the relevant jurisdictions in connection with acquiring Tokens, which may result in adverse tax consequences, including withholding taxes, income taxes and tax reporting requirements.

5.5. Risk Factors Relating to Issuer and our Business

Legal structure of Issuer:

The Issuer is an exempted foundation company incorporated in the Cayman Islands pursuant to the Foundation Companies Law (2017). The Issuer is a body corporate which has separate legal personality capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit and having perpetual succession. The constitution of the Issuer is contained in two documents: the memorandum of association and the articles of association (Articles). The Articles of exempted foundation companies typically provide that there must be at least one director and the management of the company is the responsibility of, and is carried out by, its board of directors. As a holder of Tokens, you are not entitled to any shares of the Issuer nor to any other right or interest in or to Issuer (including any debt or equity interest therein) and will have no rights to appoint or remove the board of directors or operators of Issuer. Because Tokens confer no governance rights of any kind with respect to the Issuer, all decisions involving the Issuer's activities will be made by the Issuer at its sole discretion.

The Issuer may require additional capital to support operations or growth and may need to create and sell additional Tokens in the future.

From time to time, the Issuer may need additional capital to operate or grow its business. Any Tokens sold (or issuable upon conversion of other instruments we may sell) may be sold at prices and on other terms that differ from those in this White Paper. The Issuer's ability to obtain additional capital will depend on investors and lender demand, operating performance, the condition of the capital markets, and other factors. Additional capital may not be available on favorable terms when required, or at all.

There is and will be limited information related to the business of the Issuer:

You may not be able to obtain all information you would want regarding the Issuer, the Tokens, the investments made by the Issuer or the corporate governance of the Issuer, on a timely basis or at all. It is possible that you may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of its investments. While the Issuer has made efforts to use open-source development for Tokens, this information may be highly technical by nature. The Issuer is not obliged to keep users, purchasers, and holders of Tokens updated on its business (including progress and expected milestones). Because of these difficulties, as well as other uncertainties, you may not have accurate or accessible information about the Issuer.

Tokens are not a loan and you will have no control of the Issuer:

Tokens do not represent a loan to Issuer nor do they provide the Purchaser with any ownership or other interest in or to Issuer. For greater certainty, the purchase of Tokens does not provide the Purchaser with any form of ownership right or other interest in or to Issuer or its present or future assets and revenues, including, but not limited to, any voting, distribution, redemption, liquidation, revenue sharing, proprietary (including all forms of intellectual property), or other financial or legal rights. You are not, and will not be, entitled to vote or be deemed the holder of capital stock of the Issuer for any purpose, nor will anything be construed to confer on you any of the rights of a stockholder of the Issuer or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action or to receive notice of meetings, or to receive subscription rights or otherwise.

The Issuer may not be able to fully execute its business strategy, which could adversely affect the results of the Token.

The Issuer considers the acquisition of real estate properties to be essential to the consolidation and expansion of its portfolio, although the Issuer is unable to guarantee that its projects and portfolio expansion strategies can be successfully carried out in the future. Also, the Issuer may be unable to make new real estate acquisitions with the same frequency or scope, or at the same favorable prices and conditions anticipated in its business strategy, even after purchase or sale commitments have been entered into. In addition, the licensing process for certain buildings may require excessive time and financial commitment, which could adversely affect the results of the Token and its profitability.

Relationship between Issuer, BTG Pactual and Enforce:

The Issuer, through a Brazilian branch, and Enforce intend to enter into an investment management agreement pursuant to which Enforce will provide certain services to the Issuer, including the management of the Target Assets. The Issuer and Enforce will be independent contractors and not partners under any partnership arrangement.

Related-Party Transactions:

In the ordinary course of business, the Issuer and/or Enforce/BTG Pactual may enter into related party transactions on an arm's length basis and on market terms, pursuant to our related party transactions and conflicts of interest policy.

Litigation:

From time to time, Issuer may be subject to various claims and contingencies in the ordinary course of business, including those related to litigation,

business transactions, taxes, and others. It will assess the likelihood of any loss or exposure of any claims. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business. If a loss is considered probable and the amount can be reasonably estimated, it will recognize an expense for the estimated loss. In addition to the estimated loss, the recorded liability would include probable and estimable legal costs associated with the claim or potential claim. The Issuer may not have insurance coverage for certain matters. There is no assurance that any claim would not materially and adversely affect its business, financial position, and results of operations or cash flows.

Other disclosures:

Purchases of Tokens should be undertaken only by individuals, entities, or companies that have significant experience with, and understanding of, the usage and intricacies of cryptocurrencies, including cryptographically secured digital tokens, and blockchain-based software systems. The Purchaser should have a functional understanding of storage and transmission mechanisms associated with other cryptographic tokens. The Issuer will not be responsible in any way for loss of ETH, Stable Coins or Tokens resulting from actions taken by, or omitted by purchasers. If you do not have such experience or expertise, then you should not purchase Tokens or participate in the sale of Tokens. Cryptographic tokens such as Tokens are a new and untested technology. In addition to the risks included above, there are other risks associated with your purchase, possession and use of Tokens, including unanticipated risks. Such risks may further materialize as unanticipated variations or combinations of the risks discussed above.

